

1-1 By: Zaffirini S.B. No. 1491
 1-2 (In the Senate - Filed March 8, 2017; March 20, 2017, read
 1-3 first time and referred to Committee on Business & Commerce;
 1-4 April 19, 2017, reported favorably by the following vote: Yeas 8,
 1-5 Nays 0; April 19, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to domestic surplus lines insurers; authorizing and
 1-20 imposing a tax.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. The heading to Subtitle I, Title 6, Insurance
 1-23 Code, is amended to read as follows:

1-24 SUBTITLE I. SURPLUS LINES INSURERS; COMPANIES [THAT ARE] NOT
 1-25 ORGANIZED IN TEXAS

1-26 SECTION 2. Section 981.002(4), Insurance Code, is amended
 1-27 to read as follows:

1-28 (4) "Eligible surplus lines insurer" means an insurer
 1-29 that is not an authorized insurer, but that is eligible under
 1-30 Subchapter B or B-1, in which surplus lines insurance is placed or
 1-31 may be placed under this chapter.

1-32 SECTION 3. Chapter 981, Insurance Code, is amended by
 1-33 adding Subchapter B-1 to read as follows:

1-34 SUBCHAPTER B-1. DOMESTIC SURPLUS LINES INSURER

1-35 Sec. 981.071. DEFINITION. In this subchapter, "domestic
 1-36 surplus lines insurer" means an insurance company designated as a
 1-37 domestic surplus lines insurer under Section 981.072.

1-38 Sec. 981.072. DESIGNATION AS DOMESTIC SURPLUS LINES
 1-39 INSURER. (a) A property and casualty insurance company organized
 1-40 under Chapter 822 that has capital and surplus in an amount
 1-41 described by Section 981.057 may apply to the department in a form
 1-42 and manner prescribed by the commissioner for designation as a
 1-43 domestic surplus lines insurer.

1-44 (b) On approval of an application under Subsection (a), the
 1-45 commissioner shall designate an applicant as a domestic surplus
 1-46 lines insurer and issue to the applicant a domestic surplus lines
 1-47 insurer certificate.

1-48 (c) Notwithstanding Section 822.101, a domestic surplus
 1-49 lines insurer is not entitled to a certificate of authority to
 1-50 engage in the business of insurance in this state in the admitted
 1-51 market.

1-52 Sec. 981.073. APPLICABILITY OF OTHER LAW; CONFLICTS.

1-53 (a) Except as provided by Subsection (b), a domestic surplus lines
 1-54 insurer is subject to:

1-55 (1) this chapter; and

1-56 (2) all other insurance laws, including Title 4,
 1-57 applicable to a property and casualty insurance company organized
 1-58 under Chapter 822.

1-59 (b) A domestic surplus lines insurer is not subject to:

1-60 (1) Section 38.003;

1-61 (2) Chapter 462;

